

## REVIEW OF STOCK MARKETS

Before the opening of trading on Thursday 27 February some negative external background formed on the Russian market. The US indices DJIA and S&P500 closed the volatile session on Wednesday with a decrease of 0.4-0.5%. At the beginning of the day, the indices added more than 1.7% as part of a corrective rebound after a two-day fall, including due to good statistics – sales of new buildings in the US in January soared to the maximum since July 2007, and rising expectations of the expansion of incentives by global central banks. The reason for the resumption of sales was a new warning by representatives of American health services about the high likelihood of a pandemic of the Covid-19 virus. On Thursday the composite index of the Asia-Pacific index MSCI Asia Pacific and the US index futures were down 0.8-1% on rising fears of the Covid-19 pandemic and the increasing negative impact of this factor on the global economy. In particular, according to former Fed Chair Janet Yellen, the economic consequences of the spread of the virus could have a significant impact on Europe and push the US into recession. April Brent futures were trading around \$52.9 per barrel, \$2.5 below our closing level on 26 February. Brent quotes fell to a 13-month low on expectations of weakening global energy demand due to an outbreak of coronavirus.

On Thursday, global stock markets were covered by a new wave of sales – in the afternoon, losses of the MOEX Russia Index and the consolidated European Stoxx Europe 600 Index exceeded 3% on rising risks for the global economy. Bloomberg's consensus forecast now suggests a decline in China's GDP in the first quarter of 0.2% compared with the previous quarter, while a month ago, the analysts expected the GDP to grow within a half percent. There are more pessimistic estimates – in particular, JPMorgan believes that the second world economy will lose about a percent in the first quarter, and Capital Economics experts believe that China's GDP will decline by the end of 2020. In this regard, analysts warn that the high involvement of Chinese enterprises in global production chains poses a threat to companies around the world. Against this background, the largest global corporations, including Apple, Coca-Cola and Microsoft, have already warned of pressure on quarterly figures. At the same time, Goldman Sachs believes that due to the coronavirus, the changes of companies' profits from the S&P500 Index will be zero, whereas earlier experts predicted a 5% increase in the indicator. At the end of the day, sales in the Russian and European stock markets intensified after the start of trading in the US with a more than 3% drop in major indices.

At the end of the trading session, the electric utilities sector index underperformed, mainly due to the fall in shares of RusHydro, Rosseti and FGC UES.

## ELECTRIC POWER INDUSTRY NEWS

### Andrey Murov to go to Rosseti

As Kommersant found out, the head of Federal Grid Company (FGC) Andrey Murov will become the second by status after the merger of the executive bodies of the two companies and the transfer of the functions of the single executive body to the holding level. According to Kommersant's sources, Mr. Murov will become the first deputy head of Rosseti, Pavel Livinskiy, and, in fact, will assume the functions of executive director. The transfer of Mr. Murov to a new position may take place in mid-summer.

Read full text: <https://www.kommersant.ru/doc/4269599>

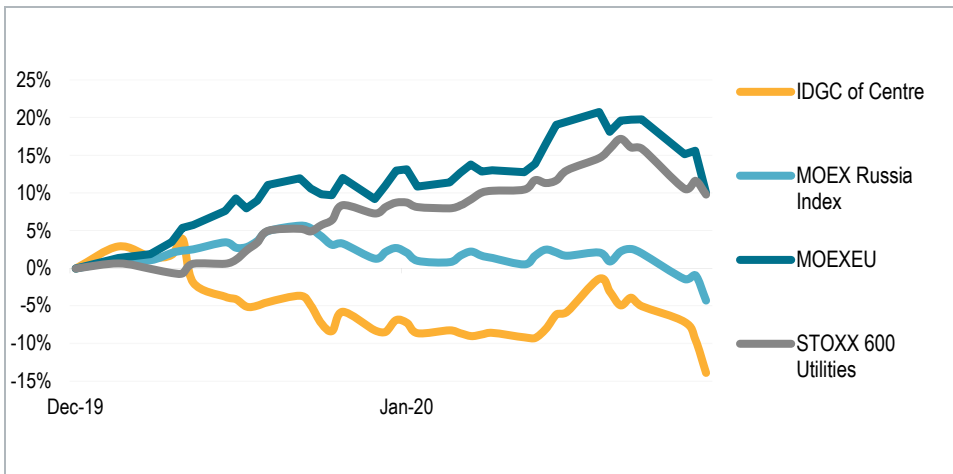
## COMPANY NEWS

### More than 850 million rubles were saved by Rosseti Centre in 2019 thanks to measures to reduce grid losses

Rosseti Centre summed up the results of work in 2019 to reduce losses in electric grids. At the end of the year, their level amounted to 10.23%, which is 0.03% lower than the indicators set in the business plan and 0.37% lower than the figures for 2018. The savings amounted to 317 million kWh or 887.6 million rubles.

Read full text: <https://www.mrsk-1.ru/press-center/news/company/71535/>

## CHANGES OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.19
MOEX Russia	2915,84	-3,37%	-4,27%
S&P 500	3060,7	-1,79%	-5,26%
FTSE 100	6829,96	-3,02%	-9,45%
Nikkei	21948,23	-2,13%	-7,22%
Sensex	39745,66	-0,36%	-3,66%
CSI300	4084,88	0,29%	-0,29%
Bovespa	104453,9	-1,20%	-9,68%

Source: MOEX, Company calculations (19:00 MSK)

Currency rates	Value	Change	
		per day	fr 31.12.19
USD/RUB	65,5177	0,92%	5,83%
EURO/RUB	71,2439	1,11%	2,74%

Source: Central Bank of Russia, Company calculations

Liquidity	IDGC of Centre	IDGC of Centre & Volga Region
Number of transactions, pcs.	2297	2367
Trading volume, ₺ mln	16,2	40,2
Trading volume, mln pcs.	58,5	190,0
Average trading volume over the last 30 days, mln pcs.	71,0	150,9
% of the authorized capital	0,14%	0,17%

Source: MOEX, Company calculations

Shares	Price**, ₺	MCap**, ₺ bln	MCap**, \$ mln
IDGC of Centre	0,2728	11,52	175,79
IDGC of Centre & Volga Reg	0,208	23,44	357,78

Source: MOEX, Company calculations

Comparison with indexes	Change	
	per day	fr 31.12.19
STOXX 600 Utilities	-1,62%	9,84%
MOEXEU	-4,87%	10,02%
IDGC of Centre**	-4,88%	-13,94%
IDGC of Centre & Volga Region**	-5,24%	-12,97%

Source: MOEX, Company calculations (19:00 MSK)

Grid companies	Change**	
	per day	fr 31.12.19
Rosseti, ordinary shares	-6,56%	10,06%
FGC UES	-4,25%	8,80%
IDGC of Volga	-3,58%	-7,49%
MOESK	-6,02%	-2,39%
IDGC of Northern Caucasus	-3,46%	-3,40%
IDGC of North-West	-4,33%	-0,84%
IDGC of Urals	-2,99%	-1,82%
IDGC of Siberia	-4,69%	-24,43%
Rosseti South	-2,95%	-7,18%
Lenenergo, ordinary shares	-2,43%	-3,13%
TRK, ordinary shares	-1,36%	0,93%
Kubanenergo	-5,88%	13,21%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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### Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC

MRKC RM

MRKC.MM